



## THE GREAT EDUCATIONAL EXPANSION

### A Response to Grant M. Nülle

Stephen Berry

Grant M. Nülle, a Research Fellow at the Council on Hemispheric Affairs in Washington D.C. has recently written an article on higher education in the UK. It was published by the Mises Institute and can be found at:

<http://www.mises.org/fullarticle.asp?control=1448&id=65>

In this article, Nülle makes a number of valid criticisms of present education policy in the UK, but fails to make the principled case which one would hope for from one of the World Wide Web's leading libertarian sites.

#### Student Tuition Fees

Misled by the fact that the government's higher education bill passed the House of Commons by a mere 5 votes, Nülle writes,

“What is even more astounding is how implacably opposed figures from all across the country's political spectrum are to infusing market principles into the funding of England's cramped, ageing and cash-strapped universities-especially at a time when most of officialdom champions augmenting enrollment numbers-a task the higher education bill only begins to address.”

In fact, this bill is just the beginning of the process whereby students in the UK are going to have to pay much more towards the cost of their university education. Some of the measures, which may have been seen as half-hearted from across the Atlantic, were tailored purely to placate the dinosaurs on the left of the Labour Party and thereby ensure a majority for the bill. But make no

mistake about it, higher tuition fees will become an increasing part of the higher education scene in the UK. Whatever the opposition parties say now for transient political gain, neither the Conservatives nor the Liberal Democrats will reverse the direction of these measures.

The UK is heading in the same direction as United States, Canada, New Zealand and South Korea who fund higher education by a mixture of taxation, private donations and sizable contributions from students. The first steps may seem tentative, but the road is clear.

#### State Spending on Education – Up or Down?

But what really bothers me is the fact that Nülle seems to swallow the line of the educational establishment in much of his article. At one point he even claims that "state spending on higher education has declined markedly over the past decade" when he means that state spending *per student* has declined over the past decade. It's true there has been a large expansion of the numbers in higher education over the last 15 years and funding per student has not risen to match. But that does NOT constitute a fall in state spending on higher education which unfortunately stands at an all time record in the UK.

Nülle also seems to accept the rationale behind the expansion of the last 15 years.

*“At the same time, the current Labour government aspires to enlarge the participation rate of students aged 18 to 30 at university from the current 43% to 50% by the year 2010. By doing so, Mr. Blair and his party believe the United Kingdom can close the GDP per capita gap that exists between it and economic high-flyers Canada, Australia and the United States. The shortfall is thought to be fostered by inferior productivity growth via workforce skill deficiencies”*

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I doubt that there is a significant GDP per capita gap between Canada, Australia and the UK, but assuredly it will not be closed by more spending more on university education. The Swiss spend much less on higher education than the "economic high-flyers Canada, Australia and the United States." but still manage economically to fly even higher.

Does Nülle really think that "workforce skill deficiencies" will be solved by sending more people to university? At the moment in London, there is both a surplus of people who want to work in media studies and a shortage of plumbers. It's my contention that sending more people to university has helped to bring about, this skills shortage (or mismatch). The intention to send 50 per cent of 18-30 year olds to university will in fact devalue education and lead to the situation of countries like the India or the old Soviet Union where even the bus drivers had degrees.

The mismatch does not stop at the graduate level. *The Daily Telegraph*, 24th February 2004, has the story of one Karl Gensberg, a PhD in molecular biology in Birmingham who grew weary of struggling along as a lecturer on a low salary and fixed contracts. He is now attending a training course to become a gas fitter, an occupation where it's possible to earn up to £50,000 a year. Such stories are generally presented so as to provoke the reaction that the state is not paying lecturers enough. In fact, they show that the whole direction of government higher educational policy is wrong.

### **The Great Educational Expansion**

The trouble is not that the expansion over the last 15 years in the UK higher education sector was underfunded. The real problem is that the expansion occurred at all. But here, the UK is simply following the worldwide trend which asserts that more schooling means more economic growth. Note that there is not even the most perfunctory of nods to increasing the *quality* of education. The doctrine simply states that increasing the number of students who go through the higher education system will result in x per cent more economic growth. Naturally, this is a doctrine which high spending governments find rather congenial.

This idea seems to me to be plain silly and lies at the root of the present higher education problems in the UK – and elsewhere. For instance, the drop-out rate of students in higher education has risen hand in hand with the great expansion, but when the obvious economic waste of this was once pointed out by this writer, the response was, 'Ah, but the drop-out rate is far lower than in the US! It's no good allowing governments to set absurd targets and then getting worked up about the extent to which the targets should be privately or publicly financed. The idea that the government should set targets for citizens and the citizens should then jump to attention should be something which is deeply inimical to all believers in liberty.

### **State Bureaucrats?**

This assumption sometimes leads Nülle into positions which look distinctly odd.

*"University staff is declining in quantity and quality as those that are already employed or are considering an academic career contend with meagre pay. Remuneration in British higher education has risen only 5% since the early 1980s whereas the rest of the UK economy has seen income rise by 45% over the same period. Academics (dons) at Oxford are paid about a third as much per teaching hour as in America, are bereft of teaching assistants and have only two support staff at his or her disposal, compared to five per professor in America. Moreover, the beginning salary for Oxford's dons is typically £14,100 (\$26,000)"*

Only two support staff at the disposal of each academic. Whatever next? This paragraph is typical of the easy ride that teachers and lecturers employed by the state get from many libertarians. Would Nülle write so sympathetically about other members of the state salariat – the much criticised 'bureaucrats', for instance?

To someone who regards much of what goes on in higher education in the UK and elsewhere as a hindrance to liberty and economic growth, it's reassuring that the best and the brightest are choosing careers outside this sector. The fact that lecturers in the UK may get paid one third less (or whatever the figure is) than those in the US worries me as much as the fact that civil

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servants in the UK may get paid one third less (or whatever the figure is) than those in the US. It's probable that we have far too many from both of these groups. Libertarians should make clear that education is no different from other forms of economic activity. It's good when people voluntarily pay for it. When it is funded through taxation, we do know whether it is under or oversupplied, let alone the appropriate wage rate for its members.

#### The State and Education

Grant M. Nülle delicately tinkers around the edges of the subject of higher education. He seems to accept that the state can set a target and then concentrates on how this goal will be met and how much should be taxation v how much private contribution.

What is needed in the UK in the short term are *both* student tuition fees and the elimination of a couple of hundred thousand-university places to quickly bring the system back to an even keel.

What is wanted in the long term is the questioning of the principle of ever more university education for ever more people, funded by the taxpayer. Then we can question the principle of sending children to school for longer and longer. Then we can question the principle of state education. Then we can question the principle of compulsory education. Then we can have our money back to spend on education - if that is our sincere wish.

This would be an agenda, both practical and principled, to gain support as the present state education leviathan increasingly runs into problems across the Western World.

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